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February 27, 2009

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Development Project II

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PRESS RELEASE

USAID PROMOTES THE USE OF OPEN AND TRANSPARENT MECHANISMS FOR LAND DISTRIBUTION FUND (LRF) LAND LEASE

FEBRUARY 27, 2009 – The USAID Land Reform and Market Development Project (LRMD) II assisted local self government bodies of the Markaz *aiyl okrug* (AO) in conducting a pilot investment tender to lease out Land Redistribution Fund (LRF) lands requiring investments in an effort to rehabilitate them.

Auctions and investment tenders to lease out LRF land are conducted by *aiyl okrug*s in compliance with approved strategic plans for the use of LRF land. To date, LRMD has assisted in LRF land inventory and strategic plan development in 130 AOs across the country and this year LRMD II is conducting this work in additional 60 AOs. LRF land inventory and strategic plan development is required of all AOs since the adoption of the Model Regulation on “Terms and Procedures of LRF Land Lease” (adopted by the GOK June 22, 2007, №234, and approved by the Jogorku Kenesh June 29, 2007, № 1997-III).

Strategic plans are local documents that ensure efficient LRF land use, and the use of investment tenders and auctions as transparent mechanisms for the LRF land lease. An investment tender is a form of public bidding to lease out LRF lands, of a so called “yellow” zone, that require investments. The winner is a tender participant that offers the most favorable conditions to improve a land plot.

The Markaz AO was selected for the pilot investment tender. The investment tender offered 34.0 ha of LRF land requiring improvement via rehabilitation of irrigation systems and quality of soil. The tender participants were citizens of the Markaz AO, natural and legal entities, and citizens of adjacent AOs. To assist the *aiyl okrug* and tender winners in implementing investment activities the tender was conducted jointly with other USAID projects such as Water Users Association Support Program (WUASP), Kyrgyz Agro-enterprise Development Project (KAED/IFDC), and the Central Asia Micro Finance Alliance (CAMFA II).

This is the first such tender in the Batken Oblast conducted by the LRMD II Project in Kyrgyzstan. This year LRMD II will provide assistance in rehabilitation of LRF lands that require investments by conducting investment tenders in a total of 5 AOs. It is expected that these investment tenders will attract investments to LRF land for their improvement, and that in future this experience will be replicated in other AOs.

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The main focus of the USAID Land Reform and Market Development Project II is to improve land legislation and its implementation as the foundation for land market development.

This project is one of many projects implemented by the US Agency for International Development in Central Asia on behalf of the American people.

Since 1992 the American people, through USAID, have supported technical assistance programs directed to support economic growth, democratic institutions, healthcare systems, and education in the Kyrgyz Republic in the amount of more than \$400 million.